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SUBJECT: TURKISH STRAITS - TANKERS AND BYPASSES

REF: A. ISTANBUL 412

- [1](#)B. ANKARA 1306 AND PREVIOUS
- [1](#)C. 04 STATE 178586

This cable was coordinated with Congen Istanbul. Sensitive
But Unclassified.

[1](#)1. (SBU) SUMMARY: Turkey is publicly and privately set on Samsun-Ceyhan as the winning prospective Bosphorus bypass, but next steps are elusive and ambiguous. All parties trumpet the success story of BTC -- as nominally the first Bosphorus bypass, expecting first tanker load at Ceyhan late autumn 2005. Recent accidents in the Turkish Straits highlight the risks and challenges of increasing and varied traffic in the straits. There is room for USG, GOT, and other governments and companies to engage on improving maritime safety. The VTS is a useful monitoring system, but it has its limits in preventing accidents. Turkey receives higher marks this winter for actively managing large tanker traffic, significantly lowering tanker waiting time over the previous winter. End Summary.

Improvements in Turkish Straits - but Still Accidents -----

[1](#)2. (SBU) Oil company representatives tell us that during the past winter season the GOT greatly improved its management of large tanker (greater than 200 meters) traffic in the Turkish Straits. On the margin of the March 28-29 Caspian-Black Sea Oil and Gas Conference in Ankara and in subsequent conversations, Chevron Texaco Marine Representative Kjell Landin made the following observations to Energy Officer (consistent with points made separately by BP officials to Embassy and Congen officers):

--WAITING TIME SIGNIFICANTLY REDUCED: While total transit time (combined Bosphorus and Dardanelles both directions) at one point reached 34 days in the winter of 2003/04 and total transit time exceeded 15 days for that entire four month winter period, total transit time exceeded 15 days for only a few days this past winter of 2004/05.

--WHY?: Landin and others give GOT credit for more efficient use of the Vessel Traffic System (VTS, which came on line in the middle of the winter of 2003/04). For example, the GOT applied measures such as moving to full day unidirectional passage and reducing tanker staggering time to 75 minutes, as needed when a queue developed. Although the 03/04 winter appeared harsher, total straits closures totalled 5-6 days both winters. The GOT's task this winter was made easier by a few other significant factors. Approximately 1.5 million tons less oil were shipped out each month from the Black Sea January/February, compared to November/December, partly due to less production in Russia and partly due to diversion of some crude oil for egress to the Baltic Sea, in response to the delays the year before. In addition, some empty tankers were pre-positioned in the Black Sea before the winter.

--WILL IT CONTINUE?: The VTS and advanced methods were better employed this winter than the previous year, when there was evidence to suggest that there was insufficient political will to use the VTS to maximize safe passage, perhaps, Landin felt, out of a desire to call attention to the costs and risks of Turkish Straits passage. According to Landin, there was room for BOTH increased safety AND increased passage, by - for example - reducing staggering time for empty northbound tankers (now treated the same as full ones) and devoting more attention to smaller and medium tankers.

--BUT STILL ACCIDENTS: 1) The LPG TANK FERRY sinking in March, which closed the Bosphorus for a full day, followed by two days of unrelated closure due to heavy fog (Ref A), was not a weakness of the VTS, but did show the high danger of smaller traffic, to which less attention and regulation is applied. According to Landin, there may have been inadequate oversight and potential corruption in allowing this old barge to be put in use. 2) On April 3 a 244 meter container ship

and a 85 meter manganese ore cargo ship collided at the entrance of the Dardanelles, reportedly resulting in three deaths and closure for almost a day of the Dardanelles. This highlights that the VTS is an effective monitoring tool, but it has its limits in preventing accidents, and that straits entrance zones are particularly high risk zones, as previously identified. Investigation of the incident is underway, but apparently the ship captains didn't or weren't able to react to warnings given by VTS officials.

--The newly approved STRAITS NAVIGATION - ENVIRONMENTAL AND INSURANCE LAW (Ref A) appears a good step towards applying reasonable international standards, but the test will be implementation and reaction of shippers. The ChevronTexaco mariner said that there was some ambiguity in the drafting and intent. Landin said that almost all big tanker shippers (including Russians) take on voluntary pilots, because they cannot afford to be perceived as flouting highest safety standards.

--The DARDANELLES (Canakkale) is the more significant chokepoint than the Bosphorus, experiencing about 13 % more traffic, due to incoming LNG tankers and oil tankers to the TUPRAS refinery at Izmit. Although in principle all tankers are treated the same, in effect TUPRAS and Turkish tankers are often jumped to the head of the queue. Fortuitously, the closure related to the LPG incident and subsequent fog effected only the Bosphorus.

BOSPHORUS BYPASS - WAITING FOR MARKET AND OIL COMMITMENTS

13. (SBU) CHEVRONTEXACO officials repeated their case for making progress simultaneously and separately on improved maritime safety in the Straits and on developing the economic rationale for bypasses, in contrast to the approach taken in the so-called "Voluntary Principles" (Ref C). They saw a role for USG attention and help on both. ChevronTexaco has closely looked at many of the Bosphorus bypass proposals (in particular trans-Thrace and Samsun-Ceyhan), but concluded that the economic justification for investing in a bypass is still not clear cut, although they recognized some value for a bypass as an insurance policy.

14. (SBU) WE GOT THE ROUTE: In several speeches and private meetings, including with visiting TDA official and contractor, GOT and BOTAS (Turkish state pipeline company) officials emphasized commitment to a Samsun-Ceyhan bypass route. They stressed the oft-repeated rationale: spare capacity at Ceyhan port (even with Iraq pipeline flowing, they claim as much as 120 million tons spare capacity); one-country solution; and a potential for piggy-backing on some of BTC's right-of-way. Both BOTAS and Turkish firm Calik Energy express serious interest and are reportedly both carrying out separate feasibility studies. While GOT officials insist the government is united in supporting Samsun-Ceyhan, they continue to wait passively for the elusive oil throughput guarantee from oil shippers.

15. (SBU) OTHER LINKAGES: GOT officials expressed strong support for timely completion of BTC, but called for linkages to Kazakhstan. They equally called for natural gas linkages to Europe: 1) First, the Turkey-Greece connector underway, with possible extension to Italy, and 2) the prospective and larger Nabucco pipeline to central Europe (BOTAS is partner). BOTAS targets providing transit of 15 % of Europe's natural gas demand. Potential supply would come first from Shah Deniz/South Caucasus Pipeline which will deliver gas via a spur to the Turkish grid by late 2006; development and target of a second phase is still up in the air. Conference participants also expressed broad interest in resurrecting schemes for potential Turkmenistan gas transit to Europe, but lamented the abject failure of realizing the trans-Caspian natural gas pipeline in 2001 (moreover, difficult to envision success with the current regime). Energy DDG Mithat Rende presented Turkey's energy strategy goals: 1) consolidate role as transit country, 2) establish energy hub, 3) facilitate a "fourth artery" to Europe, and 4) Protect the environment (i.e. the Straits).

16. (SBU) MORE ON BYPASSES: All bypass promoters claim to have "imminent" crude oil commitments to fill their prospective lines. Thrace Development Company says it is close to agreeing with the Russians. Calik Energy states privately that they have commitments from the Russians and French company Total. Many observers in Turkey are skeptical that Russian and TNK-BP interest in the Burgos-Alexandropolos project will go anywhere (moreover they regularly raise negative issues with respect to that project). Some skeptics and conspiracy theorists think it is a smoke-screen to attempt to gain more commitment from governments. Thrace Development, meanwhile, argued that there was a need for two, or three, bypass pipelines. Some creative observers even proposed a "peace pipeline" linking the Turkish Thrace Black Sea coast and Greek Alexandropolos.

COMMENT

17. (SBU) Notably, there was no mention of the controversial - but dormant - "Voluntary Principles on the Passage of Oil Tankers through the Turkish Straits" (Ref C) at the conference, even from DDG Mithat Rende, the successor to the author and champion of the Voluntary Principles. Recent accidents in the Straits show that even with improved application of maritime navigation management techniques and identified goal of maximizing safe passage, accidents can still happen. A Bosphorus bypass would likely displace the "safest" oil (carried or contracted by the large oil companies), adding to the classic first mover - free rider conundrum (who will make the first substantial investment in a bypass?)

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